

Senior Health, Security and Retirement Committee – January 31, 2006
HB 4337 – sponsored by Representative Rick Shaffer

Background

Figures issued by the US Administration on Aging (a section of the Department of Health and Human Services) show that almost one in eight Americans is a senior citizen, i.e. 65 years of age or older. Of that number, statistics show that they can expect to live an average of 17.9 years beyond age 65 (19.2 years for females and 16.3 years for males).

The median income for older persons during 2001 was \$19,688 for males and \$11,313 for females, although the REAL median income after adjusting for inflation actually fell by about 2.6% since 2000. Older women outnumber older men, (20.6 million older women to 14.4 older men), and around 50% of older women age 75 and over live alone. Further, the number of Americans aged 45-64 that will reach 65, over the next two decades, increased by 34% during the last decade.

The median cost per patient for nursing home care, which is the only viable alternative to in-home care, currently stands at \$98 and surely can be expected to rise to at least \$100 per day within this decade.

With those statistics it's not difficult to see that there is a potential for a drastic increase in Medicaid funded long-term institutionalized care, within the next two decades. There is a real need for some kind of encouragement for increased family involvement to help seniors to stay in their own homes. To offer some kind of financial recognition to those who undertake to look after their own seniors and allow them to stay in their own homes, rather than them being transferred too soon to long-term care in a nursing home.

In 1999, under PA 301, the state has already recognized that there are families whose seniors are dependent upon them and allowed a \$1500 exemption that can be deducted from taxable income. This bill seeks to assist those whose senior may not qualify as a dependent, but who are prepared to take on the responsibility for caring for their senior (65 or older), at such time as the senior requires additional assistance to remain independent within their own home. It is not designed to be utilized in addition to the earlier tax adjustment made in 1999.

In 1997, more than half the older population reported having at least one disability of some type. Over a third reported at least one severe disability and over 4.5 million (14.2%) had difficulties carrying out the activities of daily living and over twenty percent reported difficulties with instrumental activities of daily living. These percentages all rise sharply with the increase in age, particularly for those over 80.

Caring for a senior in the senior's own home makes a great impact on the day to day living of the care giver, and the incidental costs involved, more so than even transferring a senior in the family's own home.

Typically a family will assist with the following activities of daily living:

- personal care, including bathing, hair etc
- meal planning and preparation
- shopping, errands, grocery delivery
- accompany to medical appointments

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